



DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

Alcohol, Drug Abuse, and
Mental Health Administration
Rockville MD 20857

For Release Only Upon Delivery

STATEMENT

BY

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ON

IMPACT ON FEDERAL DRUG CONTROL PROGRAMS OF TITLE II OF P.L. 99-177
BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985

TO

THE SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL
U.S. HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 18, 1986

Mr. Chairman and Members:

Thank you for the opportunity to be part of this panel called to review the impact of title II of P.L. 99-177, the Balanced Budget and Emergency Deficit Control Act of 1985, on Federal drug programs.

The passage of P.L. 99-177, better known as Gramm-Rudman-Hollings, has altered the National Institute on Drug Abuse (NIDA) FY 1986 budget through across-the-board line item reductions of 4.3 percent. The amount of the overall reduction from the FY 1986 Appropriation level of \$91,807,000 amounts to \$3,948,000.

Most of the reduction has occurred in our research program because it is the largest part of NIDA's appropriation. The research budget, which was reduced by \$3,183,000 from the appropriated level of \$74,000,000, created the following changes. The average amount paid for project grants was reduced by 4.3 percent, from \$147,100 to \$140,800. Two planned small grants were eliminated and one research center was reduced by approximately 20 percent. Three laboratories in the intramural program: the neurosciences, abuse potential, and clinical chemistry, are being supported at reduced levels of funding from those planned. The new budget also reduced NIDA's research training program by \$64,000 from the appropriated level of

\$1,500,000, which is being absorbed by eliminating one pre and one post-doctoral fellowship. In addition, all contracts not yet awarded will be reduced by 5 percent.

The direct operations activity, which supports NIDA's prevention and technology transfer activities as well as operating expenses, has been reduced by \$701,000 from the appropriated level of \$16,307,000. Approximately two-thirds of our direct operations budget is required for items which cannot be reduced at this time such as salary costs and other overhead charges like rent for space. Therefore, the reductions have to fall heavily on the remaining components of our budget. For example, many of our operating costs associated with travel, supplies, training, and computer services are being reduced by about 15 percent. The remaining reduction is being absorbed through our prevention activities, resulting in a 19 percent reduction in our planned level of prevention support under the FY 86 appropriation. We are currently reviewing the activities of our prevention program to determine how best to absorb this reduction. Some decisions have been made. For example, some workshops have been postponed until next year and we will not print or distribute as many copies of certain publications as originally planned. Further reductions will have to be made in other areas as well to absorb the full reduction, however, final decisions on how this will be done are being postponed as we look for possible alternative ways of supporting our planned activities.

While these reductions are causing us some difficulties, we do not anticipate they will have a serious or lasting effect on our overall program. By and large, the reductions are being absorbed by reducing planned levels of activities rather than canceling projects. We will, for example, support the same number of project grants provided in the appropriation and no major projects in the other mechanisms research line will be canceled. Similarly, reductions in the intramural program will be absorbed by reducing planned levels of activity rather than canceling projects. Some planned prevention activities supported from the direct operations account may have to be canceled for this year, but there are sufficient funds in the FY 1987 request to renew them next year.

With regard to your request for information on the effect of Gramm-Rudman-Hollings on our FY 1987 budget, we are not able to give you as much detail. The President's budget for FY 1987 is based on the assumption that the Gramm-Rudman-Hollings deficit target for FY 1987 will be met. We are not, therefore, anticipating any reduction from the President's request for NIDA in FY 1987, which includes an increase of \$2.5 million. NIDA's FY 1987 budget is essentially a "current services" budget in that it will maintain all activities at or close to their FY 1986 levels.

The Administration's past support of health research has been strong. This commitment continues a policy of modest, but stable, growth. It should be noted that our budget, in particular, fared very well in the FY 1987 budget,

a fact which clearly reflects the Administration's support of these activities.

In answer to the Committee's concern about the effect of a 20 percent reduction from the President's budget for FY 1987, it is something very difficult to predict at this time. A reduction of this magnitude would clearly have a major impact on our programs. It cannot be compared to the 4.3 percent reduction this year. It could not be effectively handled by making across-the-board reductions in our programs. It would require a major review of our entire program with respect to whether particular activities should be maintained at their current levels, cut back, or eliminated.

If this type of reduction would have to take place, many decisions would have to be made which could have serious and long lasting effects. Therefore, NIDA's budget would be arrived at subsequent to discussions at all levels of the Administration. Given the uncertainty of the budget at this point, however, such discussions would be premature. What we are presently planning for is that the President's budget for FY 1987 will be passed and the Gramm-Rudman-Hollings targets be met.

This concludes my formal statement. I would be happy to answer any questions you might have.